

SENATE JUDICIARY COMMITTEE SUBSTITUTE FOR  
SENATE BILL 592

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;  
PROHIBITING CERTAIN ACTIONS BY MOTOR VEHICLE AND HOMEOWNER  
INSURERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of Chapter 59A, Article 32 NMSA  
1978 is enacted to read:

"NEW MATERIAL PROHIBITION OF CERTAIN ACTIONS BY AN  
INSURER OF MOTOR VEHICLES IF AN APPLICANT FOR INSURANCE OR THE  
INSURED HAS AN UNSATISFACTORY CREDIT REPORT OR DOES NOT HAVE A  
CREDIT HISTORY.--An insurer shall not:

A. deny motor vehicle insurance to an applicant  
because the insurer has received an unsatisfactory credit  
report for the applicant or because the applicant does not have  
a credit history;

. 151085. 2

underscored material = new  
[bracketed material] = delete

1           B. initially charge a higher premium for a new  
2 motor vehicle insurance policy because the insurer has received  
3 an unsatisfactory credit report on the insured or because the  
4 insured does not have a credit history;

5           C. increase the premium for a motor vehicle  
6 insurance policy because the insurer has received an  
7 unsatisfactory credit report on the insured if the policy is in  
8 good standing and the payment of the premium is current; or

9           D. cancel a motor vehicle insurance policy because  
10 the insurer has received an unsatisfactory credit report on the  
11 insured if the policy is in good standing and the payment of  
12 the premium is current. "

13           Section 2. A new section of the New Mexico Insurance Code  
14 is enacted to read:

15           "NEW MATERIAL PROHIBITION OF CERTAIN ACTIONS BY AN  
16 INSURER AGAINST A HOMEOWNER WHO HAS AN UNSATISFACTORY CREDIT  
17 REPORT OR DOES NOT HAVE A CREDIT HISTORY. --An insurer shall  
18 not:

19           A. deny homeowner's insurance to an applicant  
20 because the insurer has received an unsatisfactory credit  
21 report for the applicant or because the applicant does not have  
22 a credit history;

23           B. initially charge a higher premium for a  
24 homeowner's insurance policy because the insurer has received  
25 an unsatisfactory credit report on the insured or because the

1 insured does not have a credit history;

2 C. increase the premium for a homeowner's insurance  
3 policy because the insurer has received an unsatisfactory  
4 credit report on the insured if the policy is in good standing  
5 and the payment of the premium is current; or

6 D. cancel a homeowner's insurance policy because  
7 the insurer has received an unsatisfactory credit report on the  
8 insured if the policy is in good standing and the payment of  
9 the premium is current. "

10 Section 3. EFFECTIVE DATE. --The effective date of the  
11 provisions of this act is July 1, 2004.